

REMARKS

Claims 1-49 were presented for examination and were rejected. Applicants are hereby canceling claims 24, 25, and 45; and amending claims 1, 5, 10, 11, 13, 15, 16, 19, 22, 23, 27, 33, 35, 38-41, 43, and 44. Support for all amendments is found in the application as originally filed. Reconsideration of this application as amended, and allowance of all claims remaining herein, claims 1-23, 26-44, and 46-49 as amended, are hereby respectfully requested.

In his fourth paragraph, the Examiner rejected claims 1-49 under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter that Applicants regard as their invention.

The Examiner asserted that in claim 1 step (b), sub-steps (i)-(iii) do not functionally relate to the obtaining preamble to step (b). Applicants traverse this rejection. All three of the sub-steps of step (b) serve to delimit the at least two payment instruments that are described by the customer in step (b). Therefore, these sub-steps are proper and serve to particularly point out and distinctly claim the subject matter that Applicants regard as their invention.

The Examiner asserted that step (c) of claim 1 is improper because claim 1 fails to recite that actual selection of the payment instruments occurs. As amended, step (d) of claim 1 recites “receiving from said transaction evaluator the transaction evaluator’s selection of one of said described payment instruments”. This establishes that the transaction evaluator has in fact made a selection.

The Examiner asserted that claim 5 (and by implication, claim 6, which depends upon claim 5) does not serve to further delimit step (e) of claim 1, upon which claim 5 depends. In response to this rejection, Applicants are hereby amending claim 5 to make the step recited in claim 5 an independent step, rather than a sub-step depending upon step (e) of claim 1.

The Examiner asserted that claim 15 is improper because the selection of an auction winner recited in claim 15 has [no] clear relationship to the method of charging a payment transaction recited in claim 1. In response to this rejection, Applicants are hereby amending claim 15 to expressly link the sub-steps recited in claim 15 to the word “selection” in step (d) of claim 1. Applicants are further making a similar amendment, mutatis mutandis, to claim 41.

The Examiner rejected claims 16-18 on grounds that the step of updating records has no relationship to the functionality of steps (a) through (f) of claim 1. In response to this rejection, Applicants are hereby amending claim 16 to link the recitation of claim 16 to the transaction evaluator of claim 1. Claims 17 and 18 depend upon claim 16.

The Examiner rejected claims 22-25 as being indefinite for not having a relationship to the functionality of the steps of claim 1. In response to this rejection, Applicants are hereby amending claim 22 to provide linkage to specific language within claim 1. Claim 23 depends upon claim 22. Claims 24 and 25 are being canceled herein.

The Examiner asserted that claims 28, 29, 31, 35, 41, and 47 are indefinite. Claim 41 is being amended, as previously mentioned. The rejection with respect to claims 28, 29, 31, 35, and 47 is traversed. With respect to claim 35, the traversal is based upon the same reasoning discussed above in conjunction with the rejection of claim 1. With respect to claims 28, 29, 31, and 47, Applicants note that these claims provide specific and proper limitations of terms used in claims 1 and 35, respectively.

For the above reasons, the Examiner is requested to withdraw his rejection of claims 1-49, and to allow claims 1-23, 26-44, and 44-49 as amended.

In his sixth paragraph, the Examiner rejected claims 1-4, 7-9, 26, 32-37, and 48 under 35 U.S.C. §102(e) as being anticipated by Bahreman.

As amended, Applicants' claims are patentably distinct over Bahreman for the following reasons:

In a typical Internet shopping transaction, a merchant Website offers the customer a list of the payment types accepted by the merchant (e.g., Visa, MasterCard, electronic funds transfer). The customer selects one option from the list, according to the customer's preferences, and proceeds with the transaction.

Bahreman describes a generic automated object-oriented programming (OOP) payment selection process based on this typical payment model. The problem addressed by Bahreman is

the compatibility problem of making payments work where there are potentially a large number of protocols and processes that must be supported.

Bahreman does not consider the question of whether or how payees (e.g., merchants) can obtain a superior economic value by having the ability to utilize any of multiple payment options described by a customer, a concept that is recited in all of Applicants' claims. Bahreman's notion of the payee's "preferences" involved in acceptance of payment instruments appears to simply correspond to rules about when a payment type can be used. For example, Bahreman states: "Information other than the payment information, for e.g. Profile information will also be taken care of, if the preferences direct to do so. For instance, one of the parties involved in the negotiation might need the residence country of the other to decide on a payment mechanism." Column 15 lines 11-15. Bahreman further states: "Generate an acceptance message when the offered payment capability satisfies the constraints set forth by the capability manager and the preference manager...". Column 21 lines 44-47. Bahreman does not describe Merchants as making payment selections based on relative economic utility to choose one instrument over another, as recited in all of Applicants' claims. As described in the present specification, "relative economic utility" can take into account, *inter alia*, lower processing costs and incentives offered by payment instrument issuers.

Referring to our claim 1, the cited portion of Bahreman (column 12 lines 61-65) discusses negotiating payment capabilities, but does not suggest offering an incentive to identify more than one payment instrument, as recited in amended claim 1.

Applicants respectfully submit that the distinctions above clearly distinguish from Bahreman. The connection *vel non* between the cited portions of Bahreman and other elements of claim 1 are not clear, due largely to ambiguity in Bahreman and Bahreman's focus on different payment-related problems. For example, step (b) sub-step (ii) of claim 1 requires that the customer offer multiple payment instruments with different funding sources, a concept not suggested in column 14 line 64 through column 15 line 1 of Bahreman, which passage was cited by the Examiner. Similarly, the Examiner cites the payment negotiation manager "per col. 14" as corresponding to the transaction evaluator in step (c) of claim 1. However, Bahreman's payment

negotiation manager is not described as selecting one payment instrument based on its relative economic utility, as required by claim 1.

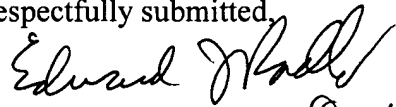
For the above reasons, the Examiner is requested to withdraw his rejection of claims 1-4, 7-9, 26, 32-37, and 48; and to allow these claims as amended.

In his eighth paragraph, the Examiner rejected claim 27 under 35 U.S.C. §103(a) as being unpatentable over Bahreman in view of Ronen. The Examiner cited Ronen solely for its alleged teaching of obtaining transaction authorizations for the amount of said payment transaction from issuers of each of said described payment instruments. However, Ronen and Bahreman, whether taken alone or in combination, do not suggest the novel features of Applicants' claim 27. As demonstrated above in conjunction with the Examiner's rejection of claim 1 over Bahreman, Bahreman does not suggest key features recited in amended claim 1. This defect is not cured by the addition of Ronen to Bahreman.

For the above reasons, the Examiner is requested to withdraw his rejection of claim 27 and to allow this claim as amended.

Applicants believe that this application is now in condition for allowance of all claims remaining herein, claims 1-23, 26-44, and 46-49 as amended, and therefore an early Notice of Allowance is respectfully requested. If the Examiner disagrees or believes that, for any other reason, direct contact with Applicants' attorney would help advance the prosecution of this case to finality, he is invited to telephone the undersigned at the number given below.

Respectfully submitted,


Edward J. Radlo
Attorney of Record
Reg. No. 26,793

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SONNENSCHN NATH & ROSENTHAL LLP
P.O. Box 061080
Wacker Drive Station, Sears Tower
Chicago, IL 60606-1080
Tel.: (415)882-2402

cc: P. Kocher (w/encl.)